

STATE MOTOR FUEL *connection*

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PURCHASERS AND USERS

Virginia Gas Prices Beat National Average

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Key OFMS Staff

Virginia is currently tied with Alabama as the third most affordable state in the nation for gasoline purchases. The average price in both states was \$3.31 in mid-September, which was 23 cents less than the national average of \$3.54 per gallon.

Gasoline prices typically fall after the peak summer driving season, which ends on Labor Day and when refineries begin a switch from summer-grade blends to winter-grade blends that are about twelve cents per gallon

cheaper to produce.

When it comes to buying motor fuel, Virginia usually ranks tenth to fifteenth among the most affordable states in the nation. This year, however, as a result of the new gas tax structure that went into effect on July 1, Virginia holds an advantage. Even commuters who live in Virginia but work in D.C., have been filling up their vehicles at home before heading to work because Virginia fuel prices are 36 cents less per

gallon than those in the District of Columbia.

Looking ahead, gasoline prices appear to be continuing a downward trend, although potential events such as a late hurricane, a price jump in crude oil, or a disruption to an oil refinery, make it difficult to predict if the price slide will last.

For now, Virginia drivers can enjoy the lower gas prices at the pump, knowing that they are getting one of the best deals in the nation.

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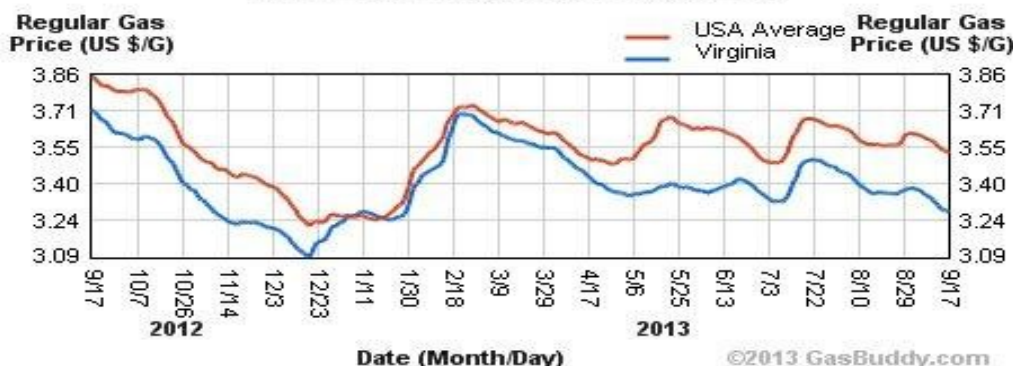
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12 Month Average Retail Price Chart



STATE MOTOR FUEL CONNECTION



Motor Fuel Contracts Renew October 6, 2013

The Motor Fuel Contracts, that comprise the State Motor Fuel Program, have renewed for the first of seven, one-year renewal options, effective October 6, 2013.

Mansfield Oil Company will continue as the vendor for Bulk Fuel in the Bristol District (Contract E194-777), for Consignment Fuel in all Districts (Contract E194-778) and for the Fuel Card in all Districts (Contract E194-779).

James River Solutions will continue as the vendor for Bulk Fuel in all Districts, except the Bristol District, (Contract E194-781) and Papco, Inc. will continue to supply the ferry boats with fuel (Contract E194-782).

Working Together

The DGS/Office of Fleet Management Services provides the oversight and auditing for the on road motor fuel contracts and is responsible for expanding usage of the contracts to localities and other public bodies. As of October 1, 2013, there are 61 locality Bulk Fuel accounts and 189 locality/public body Fuel Card accounts “piggybacking” on the state contracts.

Entities using the contracts include Counties, Cities, Towns, Regional Jails, Sheriffs’ Offices, Housing Authorities, Community Services Boards, Water Authorities and Institutions of Higher Education.

By working together we are achieving savings and accountability today and increasing our buying power for future procurements.

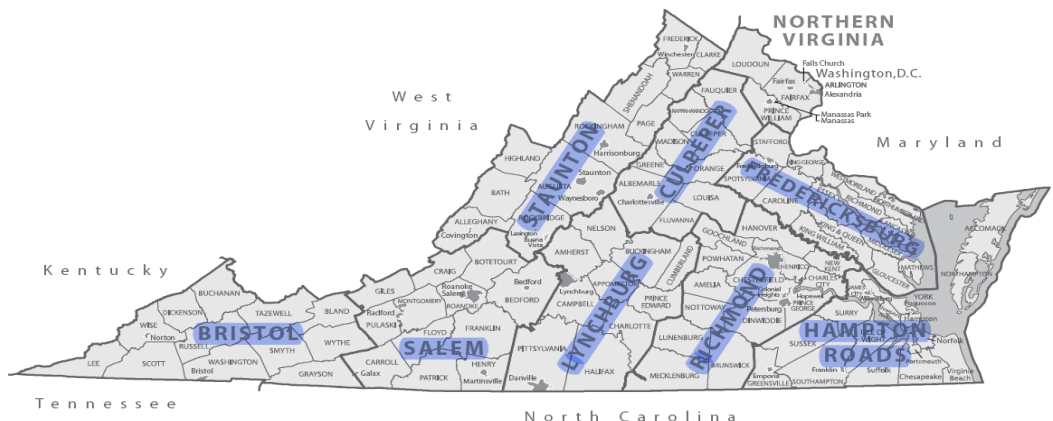
State Motor Fuel Program Vendors’ Corner

Mansfield Oil Company has changed its Voyager Fuel Card website with the advent of its new extranet, Fuel Net. The following are new procedures in place for obtaining reports.

To view Transaction Reports, log in and select the “Reports” menu on the left side of the page. Click that link to go to the Reports portal. Here you will find the Daily Summary by Location, the Summary by Vehicle and the Summary by Agency reports.

All of the other reports, including Invoices, Drivers, Vehicles and My Account are located under the “Applications” menu. Click the “Fleet Management” link and select the report you need.

James River Solutions has stored fuel at multiple Virginia Terminals and allocated fuel at terminals across the country. To support the bulk fuel delivery needs of customers enrolled in the State Motor Fuel Program, James River Solutions utilizes its own fleet of delivery trucks, as well as those of outside carriers.



STATE MOTOR FUEL CONNECTION



Tank Wagon Deliveries

Best Practices

The State Motor Fuel Program's Bulk Fuel contracts define a tank wagon delivery as a delivery of less than 7300 gallons of diesel and less than 8000 gallons of gasoline. A transport delivery is 7300 gallons of diesel and 8000 gallons or more of gasoline. Due to increased transportation costs, product delivered in tank wagon quantities may cost between two and eleven cents per gallon more, depending on the district, than product delivered in transport quantities.

However, there are measures you can take when ordering fuel to ensure you do not pay more for fuel than is necessary. First, keep an accurate inventory of fuel levels and, if the tank capacity allows, plan to order when the tank can hold a full transport load. You may have to wait an extra few days, but you will be practicing cost effective ordering. If you order for several small tanks, you can still obtain transport load pricing by ordering a combined transport load for two tanks that are within 15 miles of each other. You will be charged a "Split Delivery" fee of \$40.00 for the extra stop. The fee is \$45.00 for the Bristol District. Prices for product delivered via transport or tank wagon are posted, daily, on our website; www.dgs.virginia.gov/fleet.



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